
HOUSING ELEMENT AND FAIR SHARE PLAN

BOROUGH OF CLAYTON in the County of Gloucester State of New Jersey

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TABLE OF CONTENTS

1.0.	Introduction	4
2.0	Inventory of Borough Housing Stock	5
Part 2: Achievement of Fair Share		
1.0	Introduction	14
2.0	The Obligation	14
3.0	Addressing the Rehabilitation Need	14
3.1	Rehabilitation Credits	15
3.2	Actions to Promote Rehabilitation Need	15
4.0	Unmet Prior Round Need	15
4.1	Supportive and Special Needs Housing	16
4.2	Inclusionary Developments	16
4.3	100 Percent Affordable Projects	17
5.0	Growth Share Obligation	18
5.1	Inclusionary Development	18
5.2	100 Percent Affordable Project	19
5.3	Summary of Prior Round and Growth Share Obligation Satisfaction: 183 Units	20
6.0	Spending Plan	21
6.1	Development Fee Ordinance	21
6.2	Revenue Projection	21
6.3	Administrative Mechanism for Collection and Distribution	22
6.4	Use of Funds	22
	6.4.1 Administration of Affordable Housing Activity	22
	6.4.2 Affordability Assistance	22
	6.4.3 Rehabilitation	23
6.5	Summary of Expenditure of Funds	23
Appendix A: Extracts of Third Round Substantive Rules Appendices		24

1.0. Introduction

This Housing Element and Fair Share Plan is a required element of the Clayton Borough Master Plan, as set forth under the Municipal Land Use Law at section 40:55D-28, and incorporates the plan elements required under Section 52:27D-310 of the New Jersey Fair Housing Act. Apart from being a required element of the master plan, its significance is also evidenced by the stipulation found at C.40:55D-62 which states that zoning regulation may be adopted only pursuant to the adoption by the planning board of a land plan element and housing plan element. Required components of the plan element are as set forth below:

- A. An inventory of borough's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type.
- B. A projection of the borough's housing stock, including the probable future construction of low and moderate income housing, for the next six years.
- C. An analysis of the borough's demographic characteristics, including household size, income level, and age.
- D. An analysis of the existing and probable future employment characteristics of the borough.
- E. A determination of the borough's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing.
- F. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

Through this Housing Element and Fair Share Plan, the borough promotes provision of a variety of housing types over a range of affordability, encourages the ongoing maintenance of the borough's existing housing stock, and formally acknowledges the constitutional obligation to provide a realistic opportunity for the provision of housing affordable to families of low and moderate income within Housing Region 5 (Burlington, Camden, and Gloucester). This document also serves then as a basis for the implementation of land use regulation by the Clayton Borough to enable satisfaction of the aforementioned constitutional obligation.

2.0. Inventory of Borough Housing Stock

A fundamental component of planning for future growth is to understand what the future population will look like. The age, wealth, size, and other characteristics of a municipality's population will dictate the type, location, and pace of future growth. This section describes how Clayton Borough's population has changed in the past and what it is forecasted to look like in the future. Historic information on Clayton Borough's population is available from past planning efforts. Present and future population characteristics are available from the U.S. Census and from the Delaware Valley Regional Planning Commission (DVRPC), the Metropolitan Planning Organization (MPO) for the Greater Philadelphia area.

Clayton Borough's population grew 16 % between 1990 and 2000, evident from Figure 1 - Population Trend Comparison. The Borough went from 6,155 in 1990 to 7,139 in 2000 for a net gain of 984 residents. This is an increase of 984 people represents an insurgence in population growth since a marginal increase seen in the 1980's. This growth outpaces that seen on the State and County level. Historically it is also been more consistent in population expansion than the State and County level, which has seen decline in numbers, also evident of Figure 1.

Figure 1: 1950-2000 Population Trend Comparison

Year	Clayton Borough Change from previous decade			Gloucester County Change from previous decade			New Jersey State Change from previous decade		
	Population	Increase/ Decrease	%	Population	Increase/ Decrease	%	Population	Increase/ Decrease	%
1950	3,023	n/a	n/a	91,727	n/a	n/a	4,835,329	n/a	n/a
1960	4,711	1,688	56%	134,840	43,113	47%	6,060,782	1,225,453	25%
1970	5,193	482	10%	172,681	37,841	28%	7,168,164	1,107,382	18%
1980	6,013	820	16%	199,917	27,236	16%	7,364,823	196,659	3%
1990	6,155	142	2%	230,082	30,165	15%	7,730,188	365,365	5%
2000	7,139	984	16%	254,673	24,591	11%	8,414,350	684,162	9%

Source: US Census Decennial Population Counts, 1930-2000

Population forecasts are available through 2035 from the DVRPC¹. Of Clayton Borough's four adjacent municipalities, all have fairly consistent forecasted growth rates - aside from Elk Township which outpaces its neighbors by more than a 2 to 1 margin. Clayton Borough is forecasted to experience a slightly higher population growth than Gloucester County, however, outpaces Camden County population expansion significantly. The forecasted population increase will likely trigger the need for affordable housing.

¹ Per COAH requirements, US Census data is the primary data used for Housing Elements and Fair Share Plans. Any projection numbers provided through DVRPC are for presentation purposes only.

Figure 2: 2000-2035 Future Population Growth

	2000	2005	2010	2015	2020	2025	2030	2035	Absolute Change 2005- 2035	Percent Change 2005- 2035
<i>Clayton</i>										
<i>Borough</i>										
<i>Elk</i>	7,135	7,275	7,865	8,424	8,953	9,450	9,920	10,353	3,078	42.31%
<i>Township</i>										
<i>Franklin</i>	3,615	3,755	4,428	5,063	5,665	6,231	6,766	7,259	3,504	93.32%
<i>Township</i>										
<i>Glassboro</i>	15,470	16,498	17,682	18,802	19,861	20,858	21,800	22,668	6,170	37.40%
<i>Borough</i>	18,970	19,103	20,423	21,672	22,853	23,965	25,015	25,983	6,880	36.02%
<i>Monroe</i>										
<i>Township</i>	28,967	31,156	34,140	36,963	39,663	42,147	44,521	46,709	15,553	49.92%
<i>Camden</i>										
<i>County</i>										
<i>Total</i>	507,889	515,027	516,880	518,632	520,290	521,851	523,326	524,684	16,795	3.31%
<i>Gloucester</i>										
<i>County</i>										
<i>Total</i>	255,719	274,229	292,486	309,751	326,116	341,468	355,993	369,374	95,145	34.70%

Source: Delaware Valley Regional Planning Commission

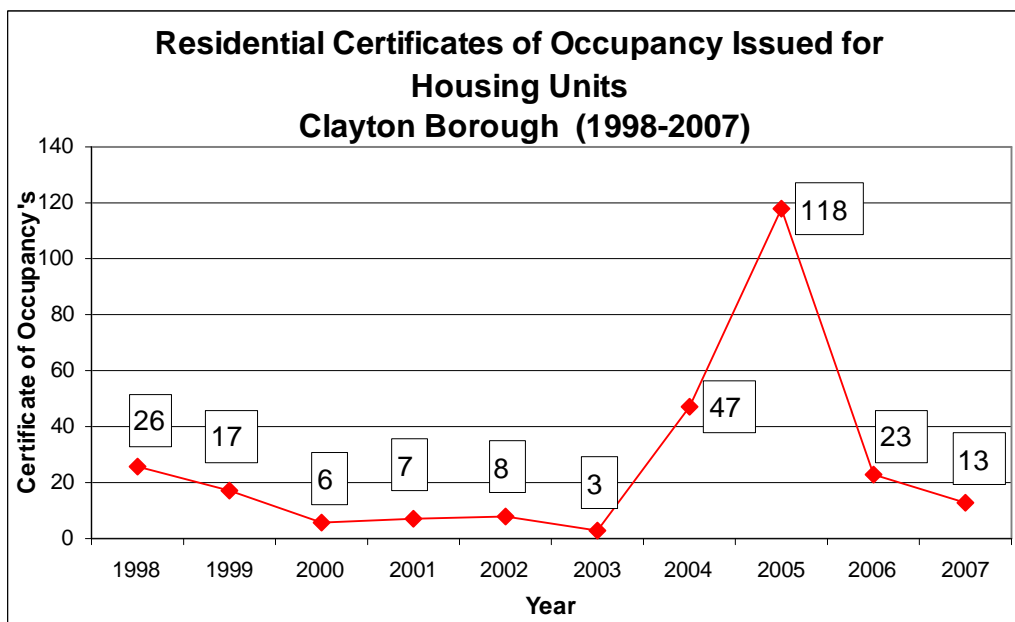
As seen in Figure 3, below, all five adjacent municipalities gained in population density between 1990 and 2000. Glassboro Borough experienced the greatest gain with an increase of 376 people per square mile. The greatest loss occurred in Elk Township with a loss of 15 people per square mile. The County as a whole gained 73 people per square mile within the decade. Figure 4 is a chart representing Residential Certificates of Occupancy Issued for Housing Units Between 1998-2007. Evident from the chart is a sizable number of building permits issued in the borough relative to the Borough's small population.

Figure 3: Population and Density Comparison, 1990-2000

	Area (Sq. Mile)	1990 Population	1990 Persons/ Sq. Mile	2000 Population	2000 Persons/ Sq. Mile	Change Persons/ Sq. Mile
Clayton Borough	7.4	6,155	832	7,139	965	133
Elk Township	19.7	3,806	193	3,514	178	-15
Franklin Township	56.5	14,482	256	15,466	274	18
Glassboro Borough	9.2	15,614	1,697	19,068	2,073	376
Monroe Township	46.9	26,703	569	28,967	618	49
Gloucester County						
Total	336.7	230,082	683	254,673	756	73

Source: US 1990 Census SF1 Data & US 2000 Census SF1 Data

Figure 4: Residential Certificate of Occupancies Issued Between 1998-2007



Source: New Jersey Construction Reporter

As depicted above, the borough issued 201 certificates for the years 2004 through 2007; this equates to an average of 50 certificates per year. Based on these certificates, the borough realized an actual affordable housing obligation of 51 units ($201/4$). However, over the longer period being from 1998 through 2007, the borough issued 268 residential certificates which equates to an average of 27 per year; this appears to be more representative of what can actually be expected particularly given the spike in certificates issued in 2005 which skews the average from 2004 through 2007. Based on an average of 27 certificates per year, it is reasonable to project the development of 297 units for the period 2008 through 2018 yielding an obligation of 75 units ($297/4$). Based on the aforementioned trends, the growth share obligation would be the sum of the actual obligation of 51 units plus the projected obligation of 75 units yielding a residential obligation of 126 units which is higher than the 83 unit obligation resulting from COAH growth projections. While this differential is minimized by the 45 unit surplus resulting from the affordable housing mechanisms herein employed, the plan nonetheless needs to be monitored to ensure that development does not outstrip the anticipated surplus.

Relative to large scale residential developments anticipated during round three, the development of Berk's Walk Phase II and the potential for the development of the Conifer Realty site have little impact in that the former project is inclusionary providing affordable units on-site and the latter is a 100% affordable project which does not generate an obligation. Public infrastructure is available to each of these sites.

From the standpoint of job creation, the borough realized 37 jobs, based on the conversion of nonresidential floor area by use group classification, for the period 2004 through August 2008 resulting in average job growth of 8 per year. As such, there is a basis to assume over the remainder

of round three the creation of 84 jobs (10.5 yrs x 8). When added to the jobs already realized, the total number of jobs equals 121 yielding in turn an obligation of 8 units (121/16) where 6 are anticipated from the COAH growth projections. The number of jobs anticipated is reasonable given the borough's desire to see further commercial development along Delsea Drive.

Figure 5: Population, Housing, and Persons per Occupied Unit

	1990 Census	2000 Census	% Change 1990-2000
Population	6,155	7,139	16.0%
Housing Units	2,177	2,680	23.1%
Occupied Units	2,069	2,464	19.1%
Persons per Occupied Unit	2.97	2.89	-1.3%

Source: US 1990 Census SF3 Data & US 2000 Census SF3 Data

Figure 5, above, illustrates a population that is being outpaced by the growth of housing stock. Between 1990 and 2000, Clayton Borough increased its population by 16%, while overseeing a housing stock increase of 23.1%. The Average Persons per Occupied Unit reflects this shift in population relative to housing. As shown in Figure 6, single family detached structures makes up seventy-nine percent (79%) of the housing stock in the Borough. Four (4%) percent are attached single family dwellings. According to Figure 7, the overwhelming majority of residents (79.1%) live in homes they own. The housing stock in the Borough varies in age; the exact breakdown by year can be seen in Figure 8. It should be noted that almost a quarter (22%) of the housing in Clayton Borough was built before 1939.

Figure 6: Housing Unit By Units in Structure

Structure Type	Number	Percent
1-unit, detached	2,116	79%
1-unit, attached	101	4%
2 units	57	2%
3 or 4 units	87	3%
5 to 9 units	91	3%
10 to 19 units	81	3%
20 or more units	147	5%
Mobile Homes	0	0%
Boats, RV's, etc.	0	0%
Total	2,680	100%

Source: US 2000 Census SF3 Data

Figure 7: Occupied Housing By Tenure

	1990 Census	Percent	2000 Census	Percent
Owner Occupied	1,576	76.2%	1,948	79.1%
Renter Occupied	493	23.8%	516	20.9%

	1990 Census	Percent	2000 Census	Percent
Total Occupied	2,069	100.0%	2,464	100.0%

Source: US 1990 Census SF3 Data & US 2000 Census SF3 Data

Figure 8: Age of Housing Stock

Year Structure Built	Number	% of Total
Built 1999 to March 2000	14	1%
Built 1995 to 1998	221	8%
Built 1990 to 1994	302	11%
Built 1980 to 1989	203	8%
Built 1970 to 1979	421	16%
Built 1960 to 1969	302	11%
Built 1950 to 1959	450	17%
Built 1940 to 1949	182	7%
Built 1939 or earlier	585	22%

Source: US 2000 Census SF3 Data

Among the households which owned their own home in 2000, 61.7% spend less than 20 percent of their monthly income on housing costs, and conversely 15.8% spend more than 35% of more of their monthly income. A complete breakdown is shown in Figure 8.

Figure 9: Owner-Occupied Costs as a Percentage of Monthly Income (1999)

Percentage of Income	Households	Percent of Total
Less than 20 percent	878	46.7%
20 to 24 percent	282	15.0%
25 to 29 percent	233	12.4%
30 to 34 percent	175	9.3%
35 percent or more	298	15.8%
Not computed	15	0.8%

Source: US 2000 Census SF3 Data

In Figure 10: Housing Value, Adjusted for 2008 Dollars, the current value for owner occupied housing has been adjusted using the accepted Consumer Price Index (CPI) inflation rate. About 88.8% of the housing stock in Clayton Borough are valued between \$65,661 and \$131,321 (\$50,000 to \$99,999).

Figure 10: Housing Value, Adjusted for 2008 Dollars

1999 Value	2008 Inflated Value	Units	
Less than \$50,000	Less than 65,660	29	1.5%
\$50,000 to \$99,999	65,661 to 131,321	1,069	54.9%
\$100,000 to \$149,999	131,322 to 196,928	661	33.9%
\$150,000 to \$199,999	196,983 to 262,643	164	8.4%
\$200,000 to \$299,999	262,644 to 393,965	25	1.3%

1999 Value	2008 Inflated Value	Units	
\$300,000 or more	393,966 or more	0	0.0%

Source: US 2000 Census SF3 Data

Note: \$1.00 in 1999 - \$1.31 in 2008

For those residents of Clayton Borough that rent their place of residence, 44.2% spend less than 25% of their monthly income on rent. Comparatively, 24.8% spend over 35% or more of their monthly income on rent as shown in Figure 11: Gross Rent as a Percentage of Monthly Income. In contrast to homeowners, a greater share of renters paid a larger share of their monthly income towards housing costs. The exact breakdown of gross rent paid is detailed in Figure 12: Gross Rent Paid, 2008 Adjusted (again, the 1999 values from the 2000 Census were adjusted using the CPI inflation rate).

Figure 11: Gross Rent as a Percentage of Monthly Income

Percentage of Income	Households	Percent of Total
Less than 15 percent	81	15.7%
15 to 19 percent	88	17.1%
20 to 24 percent	59	11.4%
25 to 29 percent	121	23.4%
30 to 34 percent	26	5.0%
35 percent of more	128	24.8%
Not computed	13	2.5%

Source: US 2000 Census SF3 Data

Figure 12: Gross Rent Paid, 2008 Adjusted

1999 Value	2008 Inflated Value	Units	Percentage
Less than \$200	Less than \$263	55	11%
\$200 to \$299	263 to 392	18	3%
\$300 to \$499	393 to 655	118	23%
\$500 to \$749	656 to 984	198	38%
\$750 to \$999	985 to 1,312	80	16%
\$1,000 to \$1,499	1,313 to 1,969	25	5%
\$1,500 or more	1,970 or more	9	2%
No Cash Rent		13	3%

Source: US 2000 Census SF3 Data

Note: \$1.00 in 1999 - \$1.31 in 2008

As shown in Figure 13: Age Distribution of Population, Clayton Borough has gained and lost population in different age segments across the spectrum. The age group that saw the largest population gain were persons 35 to 54 years (cumulatively 53.0%). Interestingly, the largest loss in age brackets came from age groups 20 to 34 years (6.9%). Persons 75 and older saw an increase of 44%. Figure 13 also shows large gains in children under 5 years and children between 10 and 14 years. This fact underscores the importance of providing affordable housing alternatives for the growing number of seniors as well as families that the municipality is facing.

Figure 13: Age Group Distribution of Population

Age Group	1990 Census	Percent of 1990 Population	2000 Census	Percent of 2000 Population	Change from 1990 to 2000	% Change 1990 to 2000
Under 5 years	481	7.8%	572	8%	91	18.9%
5 to 9 years	587	9.5%	551	8%	-36	-6.1%
10 to 14 years	526	8.5%	669	9%	143	27.2%
15 to 19 years	516	8.4%	547	8%	31	6.0%
20 to 24 years	402	6.5%	370	5%	-32	-8.0%
25 to 34 years	1,109	18.0%	1,037	15%	-72	-6.5%
35 to 44 years	897	14.6%	1,210	17%	313	34.9%
45 to 54 years	559	9.1%	1,017	14%	458	81.9%
55 to 64 years	462	7.5%	469	7%	7	1.5%
65 to 74 years	409	6.6%	399	6%	-10	-2.4%
75 years +	207	3.4%	298	4%	91	44.0%

Source: US 1990 Census SF3 Data & US 2000 Census SF3 Data

Household income, as shown in Figure 14: Household Income, 1999 Value and 2008 Adjusted Figures (using CPI inflation rate to adjust for 2008 dollars) shows that about 40.3% of Clayton Borough residents earn between 65,662 to 98,490 (\$50,000 and \$99,999 - 1999 value). The median household income for Clayton Borough as of the 2000 Census was \$53,219 or \$69,717 in 2008 value. Figure 15 shows the pie chart detailing the household income breakdown.

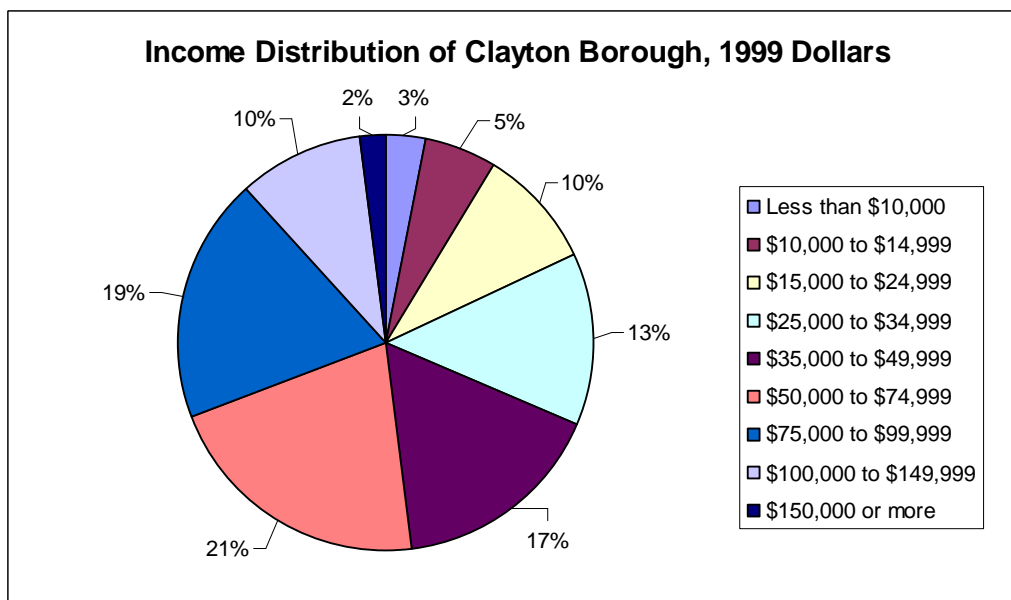
Figure 14: Household Income, 1999 Value and 2008 Adjusted Figures

1999 Value	2008 Inflated Value	Number of Households	Percent
Less than \$10,000	Less than \$13,131	76	3.1%
\$10,000 to \$14,999	\$13,132 to \$19,697	132	5.4%
\$15,000 to \$24,999	\$19,698 to \$32,830	235	9.6%
\$25,000 to \$34,999	\$32,831 to \$45,962	323	13.2%
\$35,000 to \$49,999	\$45,963 to \$65,660	411	16.8%
\$50,000 to \$74,999	\$65,661 to \$98,490	519	21.2%
\$75,000 to \$99,999	\$98,941 to \$131,321	467	19.1%
\$100,000 to \$149,999	\$131,322 to \$196,982	239	9.8%
\$150,000 or more	\$196,983 or more	49	2.0%

Source: US 2000 Census SF3 Data

Note: \$1.00 in 1999 - \$1.31 in 2008

Figure 15: Income Distribution of Clayton Borough, 1999 Dollars



Source: US 2000 Census SF3 Data

Figure 16: Civilian Labor Force Characteristics indicates the percentage of Clayton Borough residents in the labor force (72.0%) being slightly higher than that of Gloucester County (68.1%). The same trend continues towards overall employment. Clayton Borough has an unemployment rate of 3.3% to Gloucester County's unemployment rate of 4.1%.

Figure 16: Civilian Labor Force Characteristics

	Number of Persons	Percent of Total
Clayton Borough, New Jersey		
In labor force:	3,800	72.0%
Employed	3,627	68.7%
Unemployed	173	3.3%
Gloucester County, New Jersey		
In labor force:	132,786	68.1%
Employed	124,786	64.0%
Unemployed	7,951	4.1%

Source: US 2000 Census SF3 Data

The classification of the labor force by industry is displayed on Figure 17: Employment by Industry. Evident of the data is Education, Health and Social Services being the largest employment sector for Clayton Borough residents.

Figure 17: Employment by Industry

Industry	Number of Employees	% of Total Employed
Agriculture, forestry, fishing and hunting, and mining:	0	0.0%
Construction	266	7.3%
Manufacturing	562	15.5%
Wholesale trade	164	4.5%
Retail trade	446	12.3%
Transportation and warehousing, and utilities:	254	7.0%
Information	117	3.2%
Finance, insurance, real estate and rental and leasing:	283	7.8%
Professional, scientific, management, administrative, and waste management services:	249	6.9%
Educational, health and social services:	800	22.1%
Arts, entertainment, recreation, accommodation and food services:	128	3.5%
Other services (except public administration)	170	4.7%
Public administration	188	5.2%

Source: US 2000 Census SF3 Data

PART 2: ACHIEVEMENT OF FAIR SHARE

1.0 Introduction

This plan is intended to set forth the means by which the Borough of Clayton will provide opportunity for the provision of housing affordable to families of low and moderate income consistent with the Substantive Rules of the New Jersey Council on Affordable Housing for the Period Beginning on June 2, 2008, being further amended September 22, 2008 (hereinafter Rules). As such, this plan will address satisfaction of the three components of the round three obligation being rehabilitation, unmet prior round need, and obligations which arise as a result of housing construction and job creation - growth share.

2.0 The Obligation

The Borough of Clayton's obligation for the third round as noted above is comprised of a rehabilitation component of 51 units pursuant to Appendix B of the Rules, an unmet prior round obligation of 94 units pursuant to Appendix C, and a growth share component of 89 units based on the housing and job creation projections set forth in Appendix F for a total obligation of 234 units*. The growth share obligation is based on the conversion of the number of residential units projected to be constructed over the course of round three (January 1, 2004 through December 31, 2018) divided by 5 ($415/5 = 83$) and division by 16 of the number of jobs anticipated for the same time frame ($96/16 = 6$).

*Extracts of the applicable sections from the referenced appendices are set forth in Appendix A.

Rehabilitation Obligation:	51
Unmet Prior Round Obligation:	94
Growth Share:	
- Residential Component:	83
- Jobs Creation Component	6
Total:	234

3.0 Addressing the Rehabilitation Need

Appendix B identifies as of April 1, 2000 a rehabilitation need of 51 units calculated as being the sum of over crowded units (49) plus the number of dilapidated units (20) multiplied by the regional low/moderate deterioration share (0.737) minus the rehabilitation share credit (0).

$$49 + 20 = 69 \times 0.737 = 51 - 0 = 51$$

This rehabilitation number is a pre-credited number; successfully addressing the obligation requires determining the extent to which the Borough is able to claim credits for rehabilitation initiatives resulting from participation in Gloucester County's Owner Occupied Rehabilitation Program and identifying measures that will be taken to promote rehabilitation activity.

3.1 Rehabilitation Credits

For rehabilitation activity on or after April 1, 2000 and prior to December 20, 2004 to be eligible for credit, the work had to relate to low/moderate income households causing rehabilitation to applicable code standards; further providing, an average capital cost expenditure of \$8,000.00 and placement of controls on affordability. For rehabilitation work on and after December 20, 2004, hard costs are to average \$10,000.00. Regardless of the period during which the activity occurred, credit eligibility requires performance of rehabilitation program responsibilities set forth under Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq. The Rules require also that the Borough provide for the rehabilitation of rental units. A further requirement is identification of the means by which the program is able to fund at least one half of the obligation by the mid-point of the period over which this plan is in effect.

The Borough participates in the Gloucester County Owner Occupied Rehabilitation Program administered by the Gloucester County Department of Economic Development. This program is funded by a community development block grant through the United States Department of Housing and Urban Development (HUD) and provides funding for the repair/replacement of major systems for income eligible homeowners. Acceptance of the funding results in the placement of a “forever lien” against the property, to mean satisfaction of the loan is deferred to the time of transfer of title. Per documentation provided by the Gloucester County Department of Economic Development, 23 units have been rehabilitated since April 1, 2000. In sum, 23 credits can be claimed based on 7 rehabilitation projects averaging \$15,983.28 per project for the period April 1, 2000 through December 19, 2004 plus 16 projects averaging \$11,375.75 per project for the period beginning December 20, 2004. For each of these projects, the resulting “forever liens” remain in place.

Total Rehabilitation Credits: 23

3.2 Actions to Promote Rehabilitation

The Borough will continue to participate in the Gloucester Owner Occupied Rehabilitation Program and anticipates that the remaining 28-unit rehabilitation obligation will be achieved through this continued participation. The schedule for achievement is set forth below.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
2	2	3	3	3	3	3	3	3	3

Rehabilitation of rental units is not addressed by the county program; as such the Borough will initiate a rehabilitation program tailored to the rehabilitation of rental units.

4.0 Unmet Prior Round Need

The Borough of Clayton has an unmet prior round need of 94 units. Pursuant to N.J.A.C. 5:97-3.10(b)1., where municipalities have not or are not presently seeking a vacant land adjustment, the minimum rental requirement is determined by application of the below formula:

25% Prior Round Obligation (94):	24
- Prior Cycle Credits:	0
- 20% Cap:	0
- 1,000 Unit Limitation:	<u>0</u>
Minimum Rental Units:	24

Maximum number of age restricted units that may be utilized for satisfaction of prior round need is capped thusly:

25% Prior Round Obligation (94):	24
+ Rehabilitation Share:	51
- Prior Cycle Credits:	0
- Rehabilitation Credits:	23
- Impact of 20 Percent Cap:	0
- Impact of the 1,000 Unit Limitation:	0
- Transferred or Proposed RCA Units Addressing the Prior Round Obligation:	<u>0</u>
Maximum Age-Restricted Units:	51

The unmet prior round need obligation is completely satisfied by application of the below mechanisms.

4.1 Supportive and Special Needs Housing

ARC of Gloucester County. This non-profit organization which has its headquarters at 1555 Gateway Boulevard, Woodbury, New Jersey 08096, serves people with intellectual and related developmental disabilities and their families through education, advocacy and direct services. Within Clayton, the ARC operates a 4-bedroom group home which opened in 1992. The home is located at 522 East Clayton Avenue (Block 1101, Lot 1) on a parcel comprising 22,200 square feet (0.50 acres). Supplemental documentation includes a copy of the facility's license. From zoning perspective, the facility is situated within the Borough's R-A Low Medium Density Residential District as depicted on the Zoning Map having a latest revision date of June 1, 2004.

Credit for group homes is awarded on a bedroom basis. In this instance, the Borough is able to claim 4 credits.

Total Credits: 4

4.2 Inclusionary Developments

Berk's Walk. This existing multi-family development is located on South Delsea Drive over principally Lot 24 of Block 1102.05 and is owned by Berk Cohen Associates, 2657 East 14th Street, Brooklyn, New York 11235. Presently, the project is comprised of 164 units.

Pursuant to a Settlement Agreement in the matter of Harvey J. Berk v. The Borough of Clayton, the Borough agreed to amend the existing zone plan through the establishment of a planned unit development overlay within the prevailing PA Planned Apartment Residential District allowing therefore for the construction of an additional 350 units. The Borough is now considering a draft overlay ordinance prepared by the developer which proposes an affordable unit setaside of a minimum of 46 units which would fully comply with COAH and UHAC requirements. All of the units would be family rental units. As to site suitability, this proposed development is 1) situated in a preferred location given it is proposed over lands classified under the State Development and Redevelopment Plan as PA2 Suburban Planning Area, 2) owned by a single entity, 3) compatible with the existing pattern of development as it would in actuality be an expansion of an existing residential multi-family development, 4) within an area having sewer and water infrastructure available, and 5) free of any impediment to development consistent with the Residential Site Improvement Standards N.J.A.C. 5:21-1 et seq.

Final consideration of the draft ordinance is expected to occur in the first quarter of 2009. Accordingly, it is reasonable to assume that the project will be constructed within the round three timeframe. As such, the Borough conservatively is entitled to claim 1 credit for each of the affordable units.

Pursuant to N.J.A.C. 5:97-3.5(a), 2 units of credit for family rental units may be awarded up to the prior round rental obligation (24 units). As such, this inclusionary development nets 70 credits based on one credit per unit plus an additional 24 bonus credits.

Total Credits:	46
Bonus Credits:	24
Total	70

4.3 100 Percent Affordable Projects

Delsea View Apartments. This age-restricted 30 unit rental project is owned and operated by Clayton Apartments LTC Partnership, 191 White Horse Pike, Berlin, New Jersey 08009. The development is situated on Lot 2 of Block 1513 having a street address of 15 Costill Avenue and comprising approximately 5 acres. Certificates of occupancy for all of the units were issued in 1997. Documentation includes Certificates of Registration issued by the State of New Jersey Department of Community Affairs. From zoning perspective, the apartments are situated within the Borough's APA Adult Planned Apartment District as depicted on the Zoning Map having a latest revision date of June 1, 2004. Satisfaction of this component of Clayton's obligation requires application of only 20 of the 30 age-restricted rental units.

Total Credits: 20

5.0 Growth Share Obligation

Appendix F of the third round rules projects the construction of 415 units and the creation of 96 jobs within the Borough over the period of round three. These projections equate to a projected obligation of 89 units based on current methodology whereby the residential and job projections are divided by 5 and 16 respectively yielding the obligation:

415 units/5 =	83
<u>96 jobs/16 =</u>	<u>6</u>
Growth Share Obligation =	89

Pursuant to N.J.A.C. 5:97-3.10(b)3, a minimum of 25% of the growth share obligation is to be satisfied through rental units $.25(89) = 23$ units.

Pursuant to N.J.A.C. 5:97-3.10(c)2, the maximum number of age-restricted units is capped at 25% of the growth share obligation: $.25(89) = 22$ units.

Additionally, a minimum of 13% of the growth share obligation is to be achieved through provision of units affordable to very low income families defined as having income level equal to or less than 30% of the median gross household income for families of the same size within the housing region:

$$.13(89) = 12 \text{ units}^*$$

* Per COAH rules interpretation, 50% of this obligation may be satisfied via group home credits.

The growth share obligation is completely satisfied by application of the below mechanisms.

5.1 Inclusionary Development

Emerson Green. This facility is comprised of 101 sale units of which 14 are affordable - 7 for occupancy by low income families, 7 for occupancy by moderate income families. The development is situated at 1 Still Run over Lots 13 and 15 of Block 404 which encompass an area of 28.01 acres. Final approval for the project was granted in January 2006; construction is ongoing. Per borough tax assessment records, certificates of occupancy have been issued for 2 of the affordable units; another 4 affordable units are in various stages of construction. The administrative agent for the development is Triad Associates of Vineland, New Jersey 08360. From zoning perspective, the apartments are situated within the Borough's PA Planned Apartment District as depicted on the Zoning Map having a latest revision date of June 1, 2004.

Total Credits: 14

Morningstar Subdivision. As memorialized by Resolution No. 24-06, the Combined Planning/Zoning Board of Adjustment of the Borough of Clayton granted preliminary major subdivision approval for a 26 lot subdivision over land fronting Clayton-Williamstown Road (Block 12801, Lot 9). A condition of the approval required the construction of a triplex restricted to occupancy by low/moderate income families (2 low/1 moderate unit). Final major subdivision approval has been granted; however, the resolution memorializing said approval has not as yet been adopted. From zoning perspective, the subdivision is situated within the Borough's A Agricultural/Low Density District as depicted on the Zoning Map having a latest revision date of June 1, 2004.

Total Credits: 3

5.2 100 Percent Affordable Project

Delsea View Apartments. Of the 30 age-restricted rental units, 20 were used to satisfy the borough's unmet prior round obligation. (See section 4.3) The remainder 10 units are now applied to satisfaction of the growth share obligation.

Total Credits: 10

Block 1601, Lot 13 encompassing 55.8 acres is a vacant unimproved parcel situated along North Delsea Drive and is immediately to the rear of Clayton Mews (Block 1601, Lot 6), being a 100 percent affordable project developed pursuant to a regional contribution agreement (RCA) with Logan Township. Per tax assessment records, Lot 13 is currently owned by Keiluhm Venture, Post Office Box 117, Clayton, New Jersey 08312. From zoning perspective, the parcel is situated within the Borough's APA Adult Planned Apartment District as depicted on the Zoning Map having a latest revision date of June 1, 2004.

Conifer Realty, a firm specializing in the construction and management of affordable housing communities, is pursuing a development proposal with the current owner of the site that would result in the subdivision of a portion of the site which would then be dedicated to construction of a 100 percent affordable development. This development would be comprised of a minimum of 60 family rental units with a minimum of 12 being affordable to very low income families. It is reasonable to expect that this development will occur within the round three timeframe. In 2008, the borough reviewed a concept plan for construction of affordable units at this location. This concept did not advance to the site plan development stage given the borough's desire to see a development of lesser density. A concept plan is expected for review in the first half of 2009. The site is suitable as there is apparently clear title given the single entity ownership, the availability of infrastructure, compatibility with the existing affordable development, and lack of apparent impediments to development in accordance with the New Jersey Residential Site Improvement Standards N.J.A.C. 5:21-1 et seq.

This development will fully satisfy the borough's obligation to provide 12 very low income units and will fully satisfy through family rental units the remainder 48 unit obligation.

Pursuant to N.J.A.C. 5:97-3.6(a)(1), 2 units of credit may be awarded for each family rental unit in excess of the rental obligation (23 units). As such, 47 of the units are eligible for the bonus credit as 13 of the units are necessary to meet the minimum rental requirement when combined with those resulting from the Delsea View Apartments.

Total Credits:	60
Bonus Credits:	47
Total	107

5.3 Summary of Prior Round and Growth Share Obligation Satisfaction: 183 Units

100 Percent Affordable

- Delsea View Apartments	30 Credits
- Conifer Realty	60 Credits
- Conifer Realty Bonus	47 Credits

Supportive and Special Needs Housing

- ARC of Gloucester County	4 Credits
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Inclusionary Development

- Berk's Walk	46 Credits
- Berk's Walk Bonus	24 Credits
- Emerson Green	14 Credits
- Morningstar Subdivision	3 Credits

6.0 SPENDING PLAN

6.1 Development Fee Ordinance

Borough Council of the Borough of Clayton has adopted a Development Fee Ordinance which will generate funds from most residential and non-residential projects to be used to fund activities supportive of the provision of affordable housing. Said fee ordinance requires in the case of residential development, other than certain types of development deemed to be exempt, the payment of a fee equivalent to 1.5% of the equalized assessed value of the residential development. Where an increase in density is permitted by virtue of the grant of a use variance (N.J.S.A.40:55D-70d[5]), the fee may be increased to 6% of the equalized assessed value of each additional unit. With respect to non-residential development, the fee ordinance requires within all zoning districts, other than for developments deemed to be exempt, the payment of a fee equal to 2.5% of the equalized assessed value of the land and improvements. The same fee is to be charged for projects involving the additions to existing structures used for non-residential development.

6.2 Revenue Projection

As to revenue projection, the amount to be realized through the posting of development fees can be roughly estimated by linking the application of the fee to round three projected residential growth (415 units) and projected job creation (96 jobs).

The projection of development fees realized from residential development requires the application of the borough's equalization rate and establishment of an average value for housing. The borough's equalization rate for 2009 will be 56.09%. Average equalized assessed value for housing is derived from the division of average value of housing in the borough by the equalization rate: $\$95,000.00 / .5609 = \$169,371.00$.

Multiplying the average equalized value (\$169,371.00) by the number of market rate units projected during round three (415) by 1.5% yields a collection of \$1,054,334.00.

Fees very generally anticipated from projected job creation require the conversion of jobs to square footage necessary to support these jobs as well as the establishment of an average cost per square foot of non-residential development.

Projected job growth as set forth in Appendix F of the Third Round Rules is set at 96 jobs. This plan assumes two (2) jobs per every 1,000 square feet of nonresidential development. Multiplying projected job growth (96) by 1,000 S.F. and then dividing by 2 results in 48,000 S.F. of non-residential development necessary to support the number of projected jobs. Based on an assumed cost per square foot of non-residential construction of \$41.00 (based on an actual 2006 - 9,100 square foot nonresidential development) and then multiplying by 48,000 S.F. of possible new construction yields a total value of \$1,968,000.00. Applying the equalization rate for 2009 of 56.09% yields an equalized assessed value of \$3,508,647.00; application of the 2.5% development fee then results in a potential collection of \$87,716.00.

Borough of Clayton has collected under a previous development fee ordinance an amount of \$15,480.00.

In sum, the fees presently being retained by the borough plus the potential developer fee collection amounts indicated above result in a total of \$1,157,530.00.

6.3 Administrative Mechanism for Collection and Distribution

Pursuant to a development approval by the board having jurisdiction, the Planning and Zoning Department will notify the construction official of the approval. At the time of construction permit application, the construction official will notify the tax assessor and request an initial calculation of the equalized assessed value (EAV) of the proposed development and the resulting fee to be posted. One half of the fee will be due at the time of issuance of the first building permit. For non-residential development only, the developer will be provided a copy of Form N - RDF "State of New Jersey Non-Residential Development Certification/Exemption." This form will be used by the tax assessor to verify exemptions and to prepare estimated and final assessments.

At the time of request for the final inspection, the construction official will notify the tax assessor and request confirmation of, or modification of, the initial (EAV) as the case may be. The final (EAV) will be provided to the developer within ten (10) days of the request for final inspection. Payment of the fee will then become a condition of issuance of the certificate of occupancy.

6.4 Use of Funds

Fees will be used for: 1) administration of affordable housing programs, 2) affordability assistance, and 3) rehabilitation. Revenues exceeding the fee amounts anticipated will be dedicated to the revolving loan fund established for emergent protection from foreclosure.

6.4.1 Administration of Affordable Housing Activity

Pursuant to Third Round Rules, twenty percent (20%) of the collected fees may be expended on the administration of activities supportive of the provision of affordable housing. Monies collected will be utilized for consulting fees for the preparation of housing element/fair share plans and any other consulting activity as may be found necessary supportive of affordable housing provision. These monies will also be utilized for the administration of affordability assistance programs by qualified entities.

Administration (20%): \$231,506.00.

6.4.2 Affordability Assistance

Thirty percent (30%) of collected development fees are to be used for affordability assistance. This plan proposes the establishment of a revolving fund for the extension of loans to income eligible families on an emergent basis to stave off the threat of foreclosure

given the heightened susceptibility of foreclosure resulting from sub-prime mortgage products. This emergent loan program would be administered on a contractual basis on behalf of the borough by a qualified entity.

Affordability Assistance (30%): \$347,259.00

6.4.3 Rehabilitation

Borough of Clayton has a rehabilitation obligation of twenty-eight (28) units. For use in the event of a funding shortfall, an amount of \$578,765.00 will be dedicated to rehabilitation of major systems for income eligible families. This amount of money would be sufficient to underwrite an average expenditure of \$20,670.00 for each unit of obligation.

Rehabilitation Funding: \$578,765.00.

6.5 Summary of Expenditure of Funds

Anticipated Development Fee Revenues:	\$1,157,530.00
Affordable Housing Administration:	\$231,506.00
Affordability Assistance:	\$347,259.00
Rehabilitation:	\$578,765.00
Total:	\$1,157,530.00

APPENDIX A

Table A: Extract of Appendix B of the Third Round Substantive Rules N.J.A.C. 5:97

Table B: Extract of Appendix C of the Third Round Substantive Rules N.J.A.C. 5:97

Table C: Extract of Appendix F (Housing Growth Projection) of the Third Round Substantive Rules N.J.A.C. 5:97

Table D: Extract of Appendix F (Job Creation Projection) of the Third Round Substantive Rules N.J.A.C. 5:97